

October 16, 2019

Directive 2019-23

TO: ALL PARTICIPATING LENDERS

SUBJECT: The Maryland Mortgage Program now offering conventional loans underwritten under Freddie Mac guidelines (LPA and manual)

The Maryland Mortgage Program (MMP) is opening up a line of Freddie Mac underwritten loans for reservations on or after October 16, 2019. Previously, MMP only accepted Freddie Mac loans when utilizing the Special Assistance Grant (SAG). The SAG product remains in place as is (until further notice, please refer to Directive 2018-14). All other conventional products under MMP (excluding SmartBuy) can now be underwritten using either Fannie Mae guidelines or Freddie Mac guidelines.

Since there are differences between the Fannie Mae and Freddie Mac guidelines, lenders must use the specific bond series and program code. US Bank is not able to mix the GSE pools. Loans underwritten using DU cannot be sold to Freddie Mac just as loans underwritten using LPA cannot be sold to Fannie Mae. Therefore using incorrect program codes or AUS for a loan can result in US Bank not being able to purchase the loan.

The Private Mortgage Insurance coverage for all Freddie Mac loans HFA Advantage eligible remains at the level of chartered MI (up to 18%) until Freddie Mac implements the 80% AMI threshold requirements. **As always, lenders are responsible for monitoring and following changes in MMP, master servicer, and insurer guidelines.**

Effective today, lenders may reserve loans with the Maryland Mortgage Program using the new Freddie Mac program codes listed below.

NOTE: The new codes are in two categories: 1) Up to and including 80% AMI which are the current SAG codes; and 2) Over 80% AMI.

Flex Direct

Bond Series: **887 - FLEX DIRECT-FHLMC**

Program Codes: 862 -FLEX DIRECT CONV >80% AMI

Bond Series: **727- FLEX DIRECT FHLMC+MCC V**

Program Codes: MCC V+FLEX DIRECT CONV >80% AMI - 864

Flex Grant

Bond Series: **885 - FLEX GRANT FHLMC**

Program Codes: 874 - FLEX 3% GRANT CONV >80% AMI
879 - FLEX 4% GRANT CONV >80% AMI

Bond Series: **728 - FLEX GRANT FHLMC + MCC V**

Program Codes: MCC V + FLEX 3% GRANT CONV >80% AMI - 877
MCC V + FLEX 3% GRANT CONV >80% AMI - 882

Bond Series: **890 - FLEX CONV FHLMC**

Program Codes: 866 - FLEX 5000 CONV >80% AMI
870 - FLEX 3% DPA CONV >80% AMI

Bond Series: **725 - FLEX FHLMC + MCC V**

Program Codes: MCC V+FLEX 5000 CONV >80% AMI - 868
MCC V+FLEX 3% DPA CONV >80% AMI - 872

1st Time Advantage Direct

Bond Series: **965- 1ST TIME ADV DIRECT - FHLMC**

Program Codes: 888 - 1ST TIME ADV DIR CONV >80% AMI

1st Time Advantage 5000

Bond Series: **969 - 1ST TIME ADV 5000 FHLMC**

Program Code: 890 - 1ST TIME ADV 5000 CONV >80% AMI

1st Time Advantage 3% DPA

Bond Series: **967 - 1ST TIME ADV 3% DPA FHLMC**

Program Code: 892- 1ST TIME ADV 3% DPA CONV >80% AMI



LARRY HOGAN
Governor
BOYD K. RUTHERFORD
Lt. Governor
KENNETH C. HOLT
Secretary

As always, we appreciate your continued participation in our programs. If you have any questions concerning this Directive or suggestions for improvements, please email singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing



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